

## **EXHIBIT 7**

### **Cost Participation /Third Party Insurance**

Software/System Enhancements

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Exhibit 7 is subject to and hereby incorporated into and made a part of the Contract for Services entered into by and between the Indiana Family and Social Services Administration, Division of Family and Children, (“the State”), and \_\_\_\_\_, (“\_\_\_\_\_”), pursuant and subject to the terms and conditions of the Contract, effective January 1, 2003 and the terms and conditions set forth herein, for Services between the parties resulting from BAA 01-52 (“Contract”) and Scope of Work document.

\_\_\_\_\_ will follow a phased approach for the software modifications. \_\_\_\_\_ will provide extensive testing requirements which will include quality assurance testing at the PDA/\_\_\_\_\_ location, state/user acceptance testing, and installing and using the software at two pilot locations prior to state wide implementation. Training will be provided by \_\_\_\_\_ prior to implementing the modified software.

There are three (3) distinct subsystems that are part of Cost Participation and Third Party Insurance. These subsystems are System Point of Entry (SPOE), Co-Payment tracking and Third Party Insurance Billing. These summations will constitute the phasing approach at a high level.

## PHASE I DESCRIPTION

### ***SPOE***

- \_\_\_\_\_ will modify the existing SPOE software which will allow the SPOEs to collect all data to bill Third Party insurance and to compute co-payment amounts.
- The SPOE software will include the ***Financial Deductions Worksheet*** and ***Co-payment form*** that were defined in the High Level System Requirements. The modifications to the existing SPOE software will provide the necessary functionality to compute the possible co-pay amount in order to inform the families of the process.

### ***Third Party Insurance Billing***

- The second part of Phase I will institute Third Party Insurance Billing. This is a back-end process that is dependent upon writing software to take all insurance information entered into the SPOE software, along with all the claims and bill Third Party Insurance. \_\_\_\_\_ will modify the existing software to allow Third Party Insurance Claims to be processed through a clearinghouse. The state understands and agrees that unspecified additional pass through costs will be incurred to file claims via a third party clearing house.

## PHASE 2 DESCRIPTION

### ***Co-Payment Billing and Tracking***

- \_\_\_\_\_ will modify existing software to track Co-payment and billing information. These modifications will be completed as part of phase 2.
- \_\_\_\_\_ will use a “lock box” processing center for the collection of these family co-payments.

The processes defined in the *Design for First Steps Cost Participation* (SD2002-12a) will be followed to complete the design.

## **II. Phase I - Deliverable Description**

This section will describe the deliverables for Phase I.

### **DELIVERABLE 1 – Detailed Design - Phase I**

#### ***Scope of Work***

This deliverable will be an External System Design document which will describe detailed modifications to the system to implement Phase I. This document will include changes to screens, processes, and new reports. Screens and reports will be shown and changes to processes will be described. The following areas will be impacted:

- SPOE
  - Screens
  - Reports
  - Processes
- End of Day Processes
- SPOE Import
- CCG Database
- SPOE Export
- Fund Recovery Processes
- Back End Reporting

#### ***Acceptance Criteria***

Approval means that this External System Design document accurately describes the functionality necessary to meet the business needs and legislation to implement Phase I of this project. This deliverable will be deemed complete upon acceptance by FSSA.

### **DELIVERABLE 2 – Development – Phase I**

#### ***Scope of Work***

This deliverable will include all development necessary to meet the system modifications described in Deliverable 1 – Detailed Design - Phase I.

#### ***Acceptance Criteria***

Approval means that the system modifications necessary to meet the system functionality described in Deliverable 1 – Detailed Design - Phase I have been completed. The acceptance by FSSA will be to ensure that the process passed the User Acceptance Testing that is described in Deliverable 3 – Quality Assurance and User Acceptance Testing – Phase I.

## **DELIVERABLE 3 – Quality Assurance and User Acceptance Testing – Phase I**

### ***Scope of Work***

This deliverable will include the Quality Assurance process completed by \_\_\_\_\_ for all system modifications described in Deliverable 1 – Detailed Design - Phase I and the User Acceptance Testing that will be completed by the FSSA. During the Quality Assurance Processing, all system modifications are tested against Deliverable 1 – Detailed Design - Phase I. A formal process is completed which includes test conditions and verification of the test conditions.

This deliverable will also include User Acceptance Testing which will be performed by FSSA. This process will use many of the test conditions prepared by the Quality Assurance team described above. The FSSA personnel responsible for the User Acceptance Testing will be required to perform testing of the system and sign approval documents for each test condition that is performed.

### ***Acceptance Criteria***

Approval means that system modifications necessary to meet the functionality described in Deliverable 1 – Detailed Design - Phase I have been tested by FSSA personnel and the modified software and related system is deemed ready for training and implementation. This deliverable will be deemed complete upon acceptance by FSSA.

## **DELIVERABLE 4 – Pilot, Pilot Support, and Implementation – Phase I**

### ***Scope of Work***

The software will be piloted at two SPOE locations before being released to all the SPOE locations. This deliverable will include the software being delivered to the pilot sites via CD. This will test the software installation process that will be used at all SPOE sites. This deliverable will include support of the pilot sites which include processes to document and resolve any issues the pilot sites may have with the Phase I software. A daily conference call will be held with the pilot sites, FSSA, and \_\_\_\_\_.

This deliverable includes implementation of the software for all SPOE sites. Implementation is defined as the modified software being delivered to the SPOE sites in a manner and in a condition that will allow the SPOE to operate the software under usual working conditions. A week will be allowed for the SPOE sites to install the Phase I software modifications.

This deliverable includes implementation of the software modifications at the backend that will allow Third Party Insurance to be submitted to an Insurance Clearinghouse.

### ***Acceptance Criteria***

Approval means that pilot was successfully completed and that the modified software has been delivered to the remaining SPOE sites in a manner and in a condition that will allow the SPOE to operate the software under usual working conditions.. Successful

completion of the pilot sites means that the software that is implemented works as described in the Detailed Design – Phase I that the FSSA had previously reviewed and approved.

## **DELIVERABLE 5 – SPOE Training and Applicable System Documentation – Phase I**

### ***Scope of Work***

This deliverable will include the preparation of the SPOE training material and delivery of training to the SPOE personnel. The training material will be an updated version of the SPOE Manual. The training will take place at a training site in Indianapolis.

Applicable System Documentation will include documentation of final changes to database. A “test” database will be provided to the data warehouse group that supports FSSA during this phase. This is being done to ensure that the data warehouse group can make any modifications to the reports provided to the FSSA based on the modified CCG database.

### ***Acceptance Criteria***

Approval means that training material was developed and the SPOE personnel were trained. Approval also means that final database changes were documented in the format previously agreed to by the data warehouse group and that the “test” database was delivered to the data warehouse group.

### **III. Phase II – Deliverable Description**

This section will describe the deliverables for Phase II. Each of the deliverables described match the Cost Participation Payment Points found in Attachment A.

#### **DELIVERABLE 6 – Detail Design and Development - Phase II**

##### ***Scope of Work***

This deliverable will be an External System Design document that describes detailed modifications to the system to implement Phase II. This document will include changes to screens, processes, and new reports. Screens and reports will be shown and changes to processes will be described. The following areas will be impacted:

- Back End Processing
  - Accounts Receivable – Parent Co-pay
  - Reports
  - Processes
- CCG Database
- Fund Recovery Processes
- Description of the interfaces between the lockbox processing center and \_\_\_\_\_

This deliverable will include all development necessary to meet the system modifications described in the External System Design prepared for Phase II.

##### ***Acceptance Criteria***

Approval means that this External System Design document accurately describes the functionality necessary to meet the business needs and legislation to implement Phase II of this project. This deliverable will be deemed complete upon acceptance by FSSA.

Approval means that the system modifications necessary to meet the system functionality described the External System Design for Phase II have been completed. The acceptance by FSSA will be to ensure that the process passed the User Acceptance Testing for this phase that is described in Deliverable 7 – Quality Assurance and User Acceptance Testing – Phase II.

#### **DELIVERABLE 7 – Quality Assurance and User Acceptance Testing - Phase II**

##### ***Scope of Work***

This deliverable will include the Quality Assurance process completed by \_\_\_\_\_ for all system modifications described in Deliverable 6 – External System Design – Phase II. During the Quality Assurance Processing, all system modifications are tested against the External System Design – Phase II. A formal process is completed which includes test conditions and verification of the test conditions.

This deliverable will also include User Acceptance Testing which will be performed by FSSA. This process will use many of the test conditions prepared by the Quality



Assurance team described above. The output from the internal Quality Assurance process will be shared with FSSA to ensure that the system modifications meet the functionality approved in the External System Design – Phase II. The User Acceptance Testing process utilized for Phase I will be appropriately modified by \_\_\_\_\_ for utilization with Phase II.

***Acceptance Criteria***

Approval means that system modifications necessary to meet the functionality described in Deliverable 6 – External System Design - Phase II have been reviewed by FSSA personnel and the system is deemed ready for implementation. This deliverable will be deemed complete upon acceptance by FSSA.

**DELIVERABLE 8 – Implementation and Final System Documentation  
- Phase II**

***Scope of Work***

The software will be implemented at the PDA branch of \_\_\_\_\_ with all processes tested by \_\_\_\_\_. The “pilot” for the software and the “lock box” processes will be done during the Quality Assurance phase. This deliverable includes implementation of the software modifications at the backend that were described in Deliverable 6 – Detailed Design and the acceptance and tracking of co-payments by parents.

***Acceptance Criteria***

Approval means that the software and processes to bill and track co-payments by parents have been successfully completed as described in the External System Design document that FSSA had previously reviewed and approved.

## IV. Deliverable Submission, Review, Acceptance and Payment Process

The Cost Participation/Third Party Insurance software/system enhancement activities will utilize a formal process for Submission, Review and Acceptance of project deliverables. All deliverables will be subject to this formal deliverable sign-off process. \_\_\_\_\_ utilizes this formal process to ensure deliverables are actually tracked and finalized in an appropriate timeframe. The approved deliverable will serve as the mechanism for \_\_\_\_\_ to invoice FSSA for the deliverable.

Utilizing the *Deliverable Submission and Review Form* \_\_\_\_\_ will submit deliverables for review and acceptance as they are completed. The FSSA Program Manager shall render a written decision, either acceptance or disapproval, as soon as possible, but no later than five business days after the submission of the deliverable. If, however, FSSA requires additional time beyond the five business day period, \_\_\_\_\_ will be notified accordingly. If FSSA requests additional time to review and approve the deliverable, the original completion date may be adjusted accordingly, which may in turn impact the due dates of other deliverables and/or affect any penalties on this deliverable or future deliverables by making them null and void.

If the deliverable is determined to be acceptable the FSSA Program Manager will sign the Deliverable Submission and Review Form, and initiate the payment process if applicable.

If any deliverable is determined to be unacceptable, the FSSA Program Manager will note the issue(s) in writing on the *Deliverable Submission and Review* form, describing each of the deficiencies and citing the appropriate references to the deliverable. FSSA shall allow \_\_\_\_\_ a period of five business days from the date of receipt of the “Notice of Disapproval” to meet with the FSSA Program Manager to clarify any of the deficiencies described in the “Notice of Disapproval.” \_\_\_\_\_ will work to correct all identified deficiencies and submit the corrections. If \_\_\_\_\_ corrects all identified deficiencies, FSSA’s response will provide a “Notice of Acceptance.”

If no “Notice of Disapproval” is rendered or no request for additional time is sought by FSSA within five business days after the submission of the deliverable, the deliverable will be deemed accepted by FSSA.

FSSA will not withhold Acceptance for a Deliverable that is complete, meets either the Requirements Document or the Design Document Specifications and is consistent with prior approved Deliverables for the same System Enhancement. The Requirements or Design Document that is developed or approved by FSSA will indicate the appropriate FSSA staff for Acceptance of each Milestone for each System Enhancement and will serve as the measure from which to determine acceptance.

Once scope is approved for enhancements, \_\_\_\_\_ will accept only scope changes that are documented and approved through the First Steps Steering Committee. Approved scope changes will require an impact analysis of the project schedule and plan, and a new milestone date may be determined.

Disputes concerning the completeness, correctness or timeliness of a Deliverable will be referred to the \_\_\_\_\_ Delivery Manager and the FSSA First Steps Program Manager and will be resolved through the escalation procedures as defined in the Master Service Level Agreement and ultimately, the “Disputes Clause” of the Contract.

## V. Sample Deliverable Submission and Review Form

### DELIVERABLE SUBMISSION AND REVIEW FORM

**Deliverable**

Title: \_\_\_\_\_

Submitted By: \_\_\_\_\_ Submission Date: \_\_\_\_\_  
\_\_\_\_\_ Project manager

**ACTION REQUESTED**

- ☐ For Your Information
- ☐ For Written Comment
- ☐ For Preliminary Review
- ☐ For Final Acceptance (5 business day review cycle applies)

Comments:

**APPROVAL**

- ☐ Request Approved
- ☐ Request Denied

Comments:

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
FSSA Program Manager

**FINAL APPROVAL GRANTED** *(if previously Denied)*

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
FSSA Program Manager